Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Pacific Northwest Economic Region **Federal Tax ID:** 91-1599098

Project Title: **Project Type:** Planning and Research

Pacific Northwest Economic Region Foundation - Arctic Caucus

State Funding Requested: $125,000 **House District:** Anchorage Areawide (16-32)

One-Time Need

Brief Project Description:

This funding request is to build upon the success of the first two years of the PNWER Arctic Caucus, and to provide additional support to PNWER to facilitate regional and bi-national facilitation for specific action items developed by the Arctic Caucus, as well as specific recommendations by the Alaska Northern Waters Task Force (ANWTC) and to support the Alaska Arctic Policy Commission.

Funding Plan:

Total Project Cost:	$150,000
Funding Already Secured:	($25,000)
FY2013 State Funding Request:	($125,000)
Project Deficit:	$0

Funding Details:

Yukon - $10,000

Northwest Territories - $10,000

Private Sector - $5,000

Detailed Project Description and Justification:

Background:

PNWER formed the Arctic Caucus in 2009 as a working group made up of legislators, government officials, business, tribal, and nonprofit leaders committed to the issues related to the responsible development of North America's arctic region. The first official Arctic Caucus Leadership Forum took place in Barrow, Alaska in December 2010, and was attended by over 40 delegates from state, territory, provincial public and private sector organizations as well as US and Canadian federal governments.

In August, 2012, 75 delegates met in Yellowknife, Northwest Territories for a 3 day session which developed 16 Action Items for the Arctic Caucus.

The Alaska State Legislature provided support to PNWER through the Institute of the North to coordinate Alaska's participation in the Arctic Caucus in FY 2012.

Proposal:

This funding request is to build upon the success of the first two years of the PNWER Arctic Caucus, and to provide additional support to PNWER to facilitate regional and bi-national facilitation for specific action items developed by the Arctic Caucus, as well as specific recommendations by the Alaska Northern Waters Task Force (ANWTC) and support the new Alaska Arctic Policy Commission, including:

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$125,000 Approved

3:20 PM 5/2/2012

Contact Name: Genevieve
Contact Number: 465-3579

Develop and implement a regional strategy to fund US icebreakers, and to institute greater collaboration between the US and Canada on Icebreaker technology.
Assist in ANWTC's recommendation to urge the US Coast Guard to establish an Arctic base
Assist the newly formed Alaska Arctic Policy Commission in bringing relevant input from the 3 Canadian Arctic Territories which may assist their objectives
Hold a conference in Alaska on the model developed by Canada and the US in the St. Lawrence Seaway to track and monitor all vessel traffic, with Russian officials to consider the model for the Bering Straight
Hold a major PNWER Arctic Caucus meeting in Alaska in 2013.

Project Timeline:

2012 - Fall, facilitate planning meetings with USCG on icebreaker funding, and collaboration with Canada
Fall, 2012 - Bring key decision makers to tour Polar Sea and Polar Star in Viggor Shipyards, Seattle
Fall, 2012 - Hold session to promote an Arctic USCG Base
Winter - Spring, 2013 - monthly conference calls tracking Arctic Caucus Action Plan
Summer, 2013 - Hold Arctic Caucus meeting in Alaska

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

PNWER

Grant Recipient Contact Information:

Name:	Matt Morrison
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	Seattle, WA 98121
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Has this project been through a public review process at the local level and is it a community priority? [X] Yes [ ] No

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3:20 PM 5/2/2012

Contact Name: Genevieve
Contact Number: 465-3579

PNWER
Arctic Caucus Proceedings

Yellowknife, Northwest Territories
August 17-19, 2011

Barrow, Alaska
December 2-3, 2010

PNWER Arctic Caucus Forum

Yellowknife, Northwest Territories, Canada *17-19 August 2011*

Introduction

The Arctic Caucus was initially formed as an informal sub-set of PNWER, focusing on issues in the northern jurisdictions of Alaska, Yukon and Northwest Territories. After meeting at the 2009 PNWER Leadership Forum in Regina and the 2010 Annual Summit in Calgary, Alberta the group decided to meet at the Annual Summit each year, as well as hold an annual Arctic Caucus Forum in the North.

This Forum was the second meeting north of the 60 parallel. The first meeting was held December 1-3, 2010. The 2011 meeting focused on continuing the development of the Arctic Caucus, further identifying common projects and sharing information on developments in a wide range of topic areas, including:

- Arctic Infrastructure for Development: Cables, Wires, and Towers
- The Arctic Council
- Search and Rescue
- Update on Alaska's Northern Waters Task force
- Oil Spill response
- Mining
- Financing for Infrastructure Development

Welcome to Yellowknife

The opening night of the Arctic Caucus Forum was held at the Air Tindi Hanger at Yellowknife Airport. This location was a chance to showcase and understand the importance of aviation to the development of the North and learn about the many companies that support the logistics of the communities, camps and industry in the NWT. Some of the delegates had come in the night before and were welcomed with a luncheon with Premier Floyd Roland, and attended the first PNWER 'Capital Visit' to Yellowknife, meeting with key industry officials in NWT as well as Ministers and MLA's. The Territorial government was in session, and we were able to visit the Legislature during their session to experience the NWT's 'consensus government' in action.
On Wednesday night, we were welcomed by Mikey of Buffalo Air from the Ice Pilots TV show. Besides the visiting PNWER executive committee (see below) and Arctic Caucus Delegates, many local private sector participants were on hand as well.

Information Exchange and Best Practices

Arctic Caucus Delegates were welcomed by Minister Bob McLeod, PNWER President Representative Mike Schaufler (OR) and Yellowknife Mayor Gord Van Tighem. The Yellowknife Dene drummers also offered a prayer for a good meeting and performed a welcome dance.

The first day of the Arctic Caucus was dedicated to sharing projects, issues and developments across the north. This included a number of presentations on a variety of subjects. The presentations themselves can be found at www.pnwer.org/Arcticcaucus. The following is a discussion of the presentations and questions.

Session 1: Arctic Infrastructure for Development: Cables, Wires, and Towers

- "Gas to Wires" - Rod Lenfest, Boundless Energy and John Cameron, Marsh Creek, LLC, Link
- "Northern Telecom Network Diversity and Associated Funding Models" - Don Pumphrey, NorthwestTel, Link

Gas to Wires:

As with most of the presentations throughout the day, much of this first session focused on infrastructure development. John and Rod presented on the project they are exploring in Alaska, to potentially convert currently stranded natural gas on the North Slope to electricity that could then be shipped by High Voltage Direct Current (HVDC) Technology to markets in Alaska, Canada and the lower 48.

This presentation was in follow-up to one at the Summit [hyperlink] which gave some of the basics of the technology. In general terms, the project would consist of a gas turbine generation plant in the far north of Alaska, the HVDC transmission line to Fairbanks (initially) and on to Anchorage. This line could then be attached to another proposed marine cable to the lower 48 at some point in the future.

One of the major advantages of HVDC is the ability to transport electricity very long distances with very little line loss, a major factor in shipping electricity by more traditional AC methods. Additionally, as opposed to other methods to moving the gas from the North Slope, the permitting process may be easier and quicker for this project, as could the actual laying of the 3-4 inch cable. Another advantage is the ability to put various types of power into the cable at various points along its length. A challenge of HVDC is the need to make a large investment in a conversion transformer, to convert the Direct Current into Alternating Current for use in communities.

Northern Telecom Network Diversity and Associated Funding Models:

At the Barrow meeting, Don Pumphrey presented on the initial opportunities to integrate telecom infrastructure in the Canadian North with Alaska. His presentation in Yellowknife focused on the economic development facilitated in the North by enhanced reliable and robust telecom capabilities. This included sharing a number of companies that have been able to "go global"

from Yukon and NWT through their web connections. One of the points of the presentation included the attractiveness of the quality of life in the North for professionals whose work is geographically independent when telecom enabled.

In order to increase the reliability of the network in the north, it is very important to build circular or redundant connections with broader network resources. This allows the delivery of email, telehealth and other services to greatly decrease their risk of outages.

Don presented a number of proposals and projects that are currently being considered to increase connectivity in the North, while managing some of the costs of providing this service. The presentation pointed out that there is a need for public-private solutions to continue the build-out of the network, as it is a capital intensive process.

Discussion:

Discussion of both presentations followed. The following points were discussed:

- Proponents for large HVDC projects usually include (at least in part) a political driver of the project.
- As a major infrastructure project, HVDC is in its early stage in Alaska, but the idea would be to work with shared or existing rights-of-way with other infrastructure such as pipelines or roads where possible. It was also pointed out that most utilities have worked with AC, and will need to increase their familiarity and education related to HVDC.
- The possibility of a pipeline, road or transmission project would be a strong partnership opportunity for Telecom infrastructure as well.

Session 2: Arctic Council and Search and Rescue (SAR)

- "Update on Canada's engagement in the Arctic Council; outcomes from Nuuk; and upcoming priorities" - Shawn Morton, Canadian Federal Department of Foreign Affairs and International Trade: Link
- "Search and Rescue Overview and Future Plans" - Clayton Purvis, Department of National Defence, Canada: Link
- "An update on Work of the Northern Waters Task Force" - Rep. Bob Herron, State of Alaska: Link

Update on Canada's engagement in the Arctic Council; outcomes from Nuuk; and upcoming priorities:

Shawn began by giving a brief history and background of the Arctic Council. It was started as a consensus based high-level intergovernmental forum. The US, Canada, Denmark, Iceland, Norway, Sweden, Finland and Russia make up the state members, with the other permanent participants representing aboriginal peoples throughout the region:

- Aleut International Association (AIA)
- Arctic Athabaskan Council (AAC)

- Gwich'in Council International (GCI)
- Inuit Circumpolar Council (ICC)
- Saami Council
- Russian Arctic Indigenous Peoples of the North (RAIPON)

The Arctic Council is an important forum for Canada to advance policy and bring forth issues with the other stakeholders in the region. In May 2011, the Arctic Council held its bi-annual Ministerial meeting in Nuuk, Greenland. For the first time, the US Secretary of State participated, signaling further engagement from the US.

The Council is in a phase now of moving from “policy shaping” to “policy making” with the signing of the Search and Rescue (SAR) agreement in Nuuk being their first legally binding document. While the SAR agreement is a significant development for the Arctic Council, it will only formalize further the strong sharing of resources that Canada has with the US and Denmark particularly in this area.

There is a strong opportunity for North America and the PNWER Arctic Caucus to help influence the future of the Arctic Council, as Canada will take over the chair from 2013-2015 with the US the following two years. There is strong interest in identifying a common agenda between the two countries for their leadership of the Arctic Council.

Search and Rescue Overview and Future Plans:

The leadership of SAR in Canada’s north is Joint Task Force North (JTF-N), and the US is under US Northern Command. The system is built to include all assets through military branches, civil government institutions and private sector cooperation and involvement in response. That being said, JTF-N may not be the first responders on an incident, but does coordinate the overall response.

In Canada’s North, response can be a challenge with over 15 million square kilometers of land and sea. To facilitate response, there are joint response centers always on standby, with the one responsible for the Northwest Territories located in Kingston, ON. Most parts of the country can receive a response in 4 hours, the entire country within 11 hours; although due to sea ice and other factors, larger assets can take quite a while to get into place.

Interestingly enough, even with increased population and traffic in the North, the number of incidents have been stable or even decreasing, with only 3% of all incidents happening in the North. Additionally, Canada has experience repositioning areas of responsibilities and assets to aid the US when its own assets are largely deployed, as they were following Hurricane Katrina.

This fall Canada will be holding a joint tabletop SAR exercise in Whitehorse with the Arctic Council. The scenario is currently in development, but either directly or indirectly there will be outcomes from this event that will be relevant to the Arctic Caucus.

An update on Work of the Northern Waters Task Force:

At the Barrow meeting, the Alaska Northern Waters Task Force (ANWTF) held a hearing in conjunction with the Arctic Caucus Forum. Rep. Herron shared an update on Alaska's ANWTF activities, goals and timeline, as they relate to the PNWER Arctic Caucus.

The ANWTF is looking at models for overseeing development in Alaska that includes strong consultation and information sharing with local stakeholders. While there are many people and organizations that come from the outside to study Alaska, this information is not always broadly shared. There is a need to increase local resident involvement in this work, as it can influence federal, state and local policy. One of the other goals of the ANWTF is to identify and coordinate issues of mutual concern to various levels of government.

The Task force has a set schedule of meetings, with seven scheduled throughout the state. The ANWTF will then produce a report back to the legislature on their findings and recommendations in:

- Arctic Governance
- Oil, Gas, and Mineral Development
- Arctic Fisheries
- Marine Transportation
- Arctic Research
- Arctic Infrastructure

This report will be publicly available and shared with PNWER Arctic Caucus Members.

Additionally, Rep. Herron pointed out that one area of concern for Alaska is the US Senate's reluctance to ratify the United Nations Convention on the Law of the Sea (UNCLOS). It is very important for the US and this region to support ratification, as it will allow the US to fully define its maritime borders in the high Arctic especially. It will also facilitate management of the increasing amount of maritime traffic in the Arctic, with over 6000 vessels now operating in the region. He asked that PNWER help support Alaska in its efforts to push for adoption of UNCLOS.

Discussion:

The following points were discussed:

- There is technology available to have a common operating picture across the arctic, but it will be necessary to break down barriers to information sharing. PNWER may be able to assist in working with the Marine Exchange of Alaska to install an AIS station in Canada.
- Clayton explained that the private sector is included in response for disaster; however the government does not want to take the place of private sector where they can play a role in a disaster. The private sector is encouraged to be more involved in JTF-N.
- There was a discussion of the Arctic Caucus applying for observer status with the Arctic Council. Shawn suggested working with the Canadian Consulate in Anchorage to discuss this. There is a criteria that have been developed by the Arctic Council to evaluate membership applications. The Arctic Caucus was encouraged to jointly communicate our priorities regarding the Arctic Council to our federal governments' mean time.

Luncheon Keynote: "Update on the MacKenzie Gas Project" - Fred Carmichael, Aboriginal Pipeline Group

The MacKenzie Gas Project is a 1200 km 30 inch pipeline from Inuvik down to the BC/AB border. The project is a joint venture of the Aboriginal Pipeline Group (33.3%), Imperial Oil (33.4%), ExxonMobil, Shell and ConocoPhilips.

The Aboriginal Pipeline Group (APG) was formed in 2000 to share ⅓ interest in the proposed pipeline project for the Aboriginal Groups living on the proposed route. APG is an opportunity for the local communities to benefit from the pipeline and to have a direct voice in its development. This includes a guarantee of set aside work of $1 billion for corridor groups. The project has a potential to be a huge economic boost for the entire region, and supply long term royalty and tax revenues to the Federal government of nearly $10 Billion.

While the MacKenzie Pipeline has been discussed for a number of decades, recently the regulatory process has gone forward with National Energy Board Approval, opening the door to further development of the project. The biggest hurdle to moving forward at this time is finalizing a fiscal framework with the Federal Government to finance the project. These discussions are going on right now, but need to be completed by the end of the year.

Fred would like to have PNWER help support the project as work continues on the fiscal framework. This might be in the form of a letter or other communications to government leaders.

Session 3: National Energy Board (NEB) Review and Spill Response Session

- "Process/Outcomes of Arctic Offshore Drilling Review" - Dr. Brian Chambers, NEB: Link
- "Spill Planning, Preparedness and Response in the Arctic and Opportunities for Cooperation between Alaska, Yukon and NWT" - Larry Dietrick, Alaska Department of Environmental Conservation: Link

Process/Outcomes of Arctic Offshore Drilling Review

With the Deep Water Horizon Spill in the Gulf of Mexico last year, there has been a renewed interest the safety of off-shore drilling. The NEB is one of the agencies that evaluate applications for off-shore drilling, with major roles played by other federal agencies, including Aboriginal Affairs and Northern Development.

The NEB's role is not to evaluate whether there should or shouldn't be drilling in Canada's Arctic, but to ensure that should it happen, safety, environmental management and spill response plans are developed, evaluated and approved. While there have been some small blow outs in wells in the Arctic, the technology to manage it worked properly as opposed to the experience in the Gulf. One of the issues that has come up is the extreme difficulty of responding to a possible spill in the Arctic due to the lack of response resources and climate.

In order to develop a strong response strategy, NEB is working with partners and communities to understand their concerns. There is a desire by communities to be trained in spill response protocols and clarity in the roles in the case of an incident.

Spill Planning, Preparedness and Response in the Arctic and Opportunities for Cooperation between Alaska, Yukon and NWT

With the changing ice pack in the Arctic Ocean, there will be more interest in development and transportation in the North. With an increase in ship traffic, as well as possible drilling activities, the risk for spills is a very important issue to address. This can be mitigated in part by managing well safety, blow out contingencies and containment systems. Even with prevention systems in place, response plans to spills needs to be proactive, and take into account various natural and man-made causes.

In Alaska the spill response is initiated by a reporting of an incident, essentially a 911 call for response. The response plans are developed by integrating Federal, State, Local and Industry plans. As industry is the area with the most expertise, assets and human resources available, they are often in a leading role in response. During a response, these stakeholders are included in the Incident Command System. In looking for models for spill response in the Arctic between jurisdictions, a good model may be the Pacific States and British Columbia - Oil Spill Task Force. http://www.oilspilltaskforce.org

Discussion:

- While the true opening of the Northwest Passage may be a ways off, the amount of traffic is already increasing in the Arctic Ocean, with a lot of interest in possible port development on the Arctic Coast.
- In the case of a response, it is important to realize that the industry has much broader logistic capacity than government. They are typically given the lead in a response because they can do it better.

Session 4: Mining

- "A brief history and mining in the NWT" - Tom Hoefer, NWT and Nunavut Chamber of Mines: Link
- "Infrastructure Gateways to Support Economic Development" -Dr. Harvey Brooks, Yukon Department of Economic Development: Link
- "State Financing of Infrastructure to Facilitate Mineral Development: the Skagway and Red Dog Projects" - Jim Hemsath, Alaska Industrial Development Authority: Link

A brief history and mining in the NWT

The Northwest Territories (and Nunavut) are home to vast mineral resources that due to the large land mass and minimal population are yet unexplored. The NWT is the third largest producer of diamonds in the world. Most communities in the Territories that do host mining operations have minimal other forms of non-governmental jobs.

One of the challenges of the mining industry in NWT is that as an industry with an exhaustible resource, it is important to the Territories, companies and workforce to have strong ideas of what upcoming projects are on the horizon. This is a challenge as only about 1 in 1000 exploration projects lead to a fully developed mine. A challenge in NWT is that exploration has actually been decreasing in recent years.

For much of mining's history in the territory, there has been little involvement by aboriginal groups, but the last 12 years communities and their residents have become more involved in the industry. This has been a positive development for the industry, but there are challenges with communities understanding their partnership role.

Tom pointed out that with the growth of the middle class in India and China, diamond demand looks good going forward, as do economic prospects for other products of NWT. Additionally, he pointed out that NWT must imports 33% of its products from PNWER's Canadian jurisdictions alone, as well as many from the US members.

Infrastructure Gateways to Support Economic Development

Due to geography and history, the Yukon does not have its own deepwater port; the Territory relies on Skagway, Haines and Stewart, BC to ship in and out goods. Since the territory covers a vast area with a minimal population, development of infrastructure and projects needs to be done in partnership with public and private entities. One of the advantages of Yukon from an infrastructure perspective is the high connectivity of its people, with all but one community accessible by road, and 98% of the population having broadband access.

This connectivity has enabled a number of businesses in Yukon to access global markets, and allows for knowledge workers to telecommute from the territory. One of the (re)emerging opportunities for the Territory economically is a new era of mining. This presents new challenges, especially from an infrastructure perspective.

The current increase in mining in Yukon is in part fuelled by devolution, settled land claims (11 of 14 first nations in the territory), as well as an increase in Foreign direct investment, particularly from China. Additionally, mining operations can go through the single window Yukon Environmental and Social-economic Assessment (YESAA) which streamlines permitting processes.

With Yukon's diverse geology, and the current global demand for gold, copper, lead and zinc, there are a large number of potential mines. As many of these claims are far from existing infrastructure, it will present additional challenges to be addressed. Yukon does see the development of the Port of Skagway and the link to the Territory as an integral part of its economic future.

State Financing of Infrastructure to Facilitate Mineral Development: the Skagway and Red Dog Projects

One of the main challenges of developing projects in the North is obtaining financing that makes projects in the north competitive and viable. The Alaska Industrial Development and Export Authority (AIDEA) helps finance commercially viable projects. This includes big and small projects, urban and rural, which has directly contributed 735 jobs to the state. They are conscientious of community support of projects, and require that the borrower have their own capital to invest. Benefits to the program include bringing money into the state and increasing the ability of organizations to receive federal grants, because they have backing from a state agency.

Red Dog Mine is a project that received support through AIDEA. The port at Red Dog is only open three months a year, but the mine is open 365 days a year. This means that all shipping waits for that three month period, during which they moved 1.4 million tons of concentrate. 2.5 billion dollars in zinc export last year. There is a real benefit to owning both the port and the roads leading to it, because you are able to partner with outside companies, like the state did in this case with TECK. The state has a 50 year deal at Red Dog Mine, and has made 6% on the investment.

Skagway is a major port for exporting ore, and has a direct road in Whitehorse, Yukon. Through the state investment they are able to expand to include more ore sheds while working with the mines, the port, and the cruise industry. This adds 35-40 permanent jobs to Skagway, which is a large contribution to a small community.

AIDEA is open to sharing their model with other jurisdictions and partnering to provide capacity. This might be a way to leverage existing institutions with Alaska's neighbors in the North to support economic development.

Action Items:

The final day of the Forum centered around the development of new, and the review of previous, action items. The following table includes the new action items, with the second table giving a brief overview of the status of the action items from Barrow.

Table 1 - New Action Items

#	Action Item	Status
1	Develop joint resource inventory, infrastructure, and opportunity map of the Arctic Caucus Region (Alaska, Yukon, and NWT). This map should be interactive, shared, with multiple GIS layers for infrastructure, resources, with links to contacts and more detailed information. [Suggest each jurisdiction identify a lead person to develop mapping data in their own jurisdiction, with one person to lead the joint effort.]	In progress - the Northwest Territories is the lead and will populate the map. Technical leads from Yukon and Alaska are involved.
2	Bring a report on prospective models for an Arctic Infrastructure Development Authority, and establish a subcommittee to bring a proposal to the next Arctic Caucus Forum.	In Progress - Jim Hemsath at (AIDEA) is working with Harvey Brooks (Yukon) on prospective models for an Arctic Infrastructure Development Authority. Rep. Herron is the Lead for this action item
3	Facilitate the development of a pilot AIS station in the Western Canadian Arctic.	In Progress – Mike Pawlowski is working with Captain Ed Page, Marine Security Exchange of Alaska
4	Facilitate the development of a public common operating picture for Vessel Tracking and Search and Rescue, along with operational capabilities in the US-Canadian Arctic. Encourage cooperation and coordination protocols to share information across the border and between jurisdictions.	In Progress - Mike Pawlowski is working with Captain Ed Page, Marine Security Exchange of Alaska is the lead
5	Yukon will coordinate a report back from the Arctic Council Tabletop in Whitehorse (October 2011) results and recommendations for next steps to the Arctic Caucus Search and Rescue initiative. [Post Whitehorse, consider forming a State/Territory Search and Rescue Working	In Progress - Awaiting Final report from Canadian Federal Government - Carl Burgess Yukon Lead

	Group to develop information sharing protocols and guidelines for future initiatives in our region]	
6	Facilitate Arctic state/territorial collaboration for information sharing and coordination on oil spill planning, preparedness and response in the Arctic.	In Progress - Larry Dietrick, head of Alaska's oil spill response section, is the lead and has been engaged with Yukon and NWT on Emergency Management and Oil Spill Response Coordination.
7	Ask PNWER to suggest to the appropriate US and Canadian Federal government Officials that they: A) coordinate their chairmanships of the Arctic Council (2013-2017). [Alaska will request to the US, identifying key issues, and the Territories will make the request to Ottawa, and B) include economic and infrastructure development for the benefit and sustainability of northern people and their arctic communities in their objectives	In Progress - PNWER has a draft Arctic Council Letter and will have Rep. Schaufler and Arctic Caucus Leads sign and submit it to the U.S. and Canadian Federal Government.
8	Develop a PNWER Arctic Caucus strategy to strengthen the voice of our arctic communities for the 2013-2017 Canada and US Chairmanships of the Arctic Council, in addition to other organizations the group recognizes. This should be a multifaceted strategy engaging the entire PNWER region.	In Progress – Mike Pawlowski is the lead
9	Craft a resolution for presentation to the PNWER executive in November supporting the commercialization of Arctic Gas.	On hold until Strategy is Determined
10	Develop and create alignment on a common vision to forward the northern regions telecom infrastructure to support economic development; including Alaska, NWT and Yukon in a cross jurisdictional view. This vision should specifically provide northern business and residents with higher speed and greater capacity data networks, and bring greater diversity and survivability to these networks in all jurisdictions. The vision should also look to capitalize on existing infrastructure already in place and leverage cross jurisdictional opportunities.	In Progress - Don Pumphrey of NorthwesTel gave a presentation to the Alaska Broadband Task Force on November 17th.
11	Review the map of sub-national and regional actors and develop recommendations for areas of action for the Arctic Caucus.	In Progress the Institute of the North is the lead
12	Facilitate a meeting with Fran Ulmer, Director of the Arctic Research Commission on ways to support development of Northern Research and a potential	In Progress - Fran Ulmer participated at Sept. 28th, 2011 meeting -

	collaboration with the territories on further development of post-secondary education, training, and research opportunities across the North.	recommended engaging USARC before the April 22-25 IPY Conference in Montreal
13	Send a letter of support to the Governor and Lt. Governor of Alaska supporting US ratification of UNCLOS, and work on joint communication from PNWER member jurisdictions to their federal congressional delegations for the capital visit to Washington, DC. Have a model letter, speaking points and develop a presentation for delegates at the PNWER Winter meeting to encourage US signing of UNCLOS.	In Progress – ION is the lead and PNWER is working with Sen. Ranker on a drafting the letter
14	Draft Arctic Caucus Organizing Committee, each jurisdiction lead should submit potential delegates to PNWER by November 15, 2011 for PNWER Executive Committee meeting in Victoria	Completed
15	Establish an Arctic State/Territorial working group to identify and share jurisdictional best practices on resource development regulatory systems.	In Progress – Suggested as a topic for discussion at the Whitehorse Forum
16	Recommend that the PNWER Workforce Development Working Group include topics related to training for Northern Industries and peoples	In Progress –

Table 2- Action Items from Barrow with Status

Action Item	Status
Map out sub-national and regional actors so that it is relevant and non-duplicative (identify niches).	In Progress
Advocate for cabinet-level (US) participation in the Arctic Council	Completed
Convene in May/June in Northwest Territories prior to the annual meeting, which will take place in Portland.	Completed (Held meeting in August)
Promote a pan-Northern approach to federal governments. (Including Legislative concurrent resolution)	In Progress (Alaska passed House Joint Resolution 15)
Provide a platform for connecting science and policy in order	Will be referred to President

to meet its mission of economic development. Suggest to University Presidents Round Table	Round Table and an academic liaison will be requested.
Explore means to support the expansion of the Marine Exchange of Alaska's AIS System in Alaska as well as Northwest Territories (NWT), Yukon and BC. Support current efforts to increase Search and Rescue response capacity and infrastructure on both sides of the border including joint training/exercises	In-progress
Promote federal support of the Alaska/Canada highway and Shakwak funding.	On-going. PNWER has sent a letter, and will again when Alaska and/or Yukon request.
Support Broadband infrastructure development Interconnectivity (Wide Area Network)	Ongoing. See this meetings action items.
(Support Development of Northern University in Canada) Invite Yukon College, Ilisagvik, Aurora Colleges to University Presidents' Round table	This has been referred to both the University Presidents' Round table and the Workforce Development Working Group.
Communicate proceedings and conclusions of Northern Waters task Force to regional members.	Completed.
Have Arctic Caucus keynote panel at the Summit	Likely to be included in the 2012 Summit
Suggest content to the Legislative Energy Horizon's Institute (LEHI) and Transportation Institute on issues in the north.	Partially completed (Alaska specific content was included in the Transportation Institute and LEHI leadership will look at it and how to include content.)
Identified Issue: 1. Gas Pipeline development (Reshare Pipeline study) 2. UNCLOS 3. Transmission/Local Energy Development 4. Joint Tourism/Marketing 5. Training/Workforce Development 6. Support development of youth exchange programs (Ian) 7. Conduct an infrastructure gap analysis and provide a justification for investment in cross-border infrastructure.	These items are not action items, but rather potential areas of interest, but some work has been done on items 1 and 6, with most other items included in action items from this meeting (Table 1)

PNWER Executive Committee's first Capital Visit to Yellowknife

The Northwest Territories joined PNWER officially in the Summer of 2009. The executive committee of the PNWER board typically visits each capital city at least every other year to better understand the economy, politics, culture and priorities of our member jurisdictions.

On August 17th, members of the PNWER executive from Alaska, Oregon, Idaho, Washington, Alberta, Yukon and Alaska held their first official capital visit ever to Yellowknife. This visit was both a chance to deepen our already existing relationship with the Territories, and to build new ones.

Meetings and presentations were very informative for visiting PNWER Delegates. We were welcomed by Minister of Industry, Tourism and Investment, the Hon. Bob McLeod. Member of the Legislative Assembly (MLA) David Ramsey led a discussion about the Standing Committee on Economic Development and Industry (SCEDI). He was joined by other committee members David Krutko, Jackie Jacobson and Bob Bromley for parts of the discussion as well.

Following the discussion with the Executive Committee members, the Speaker of the House, The Hon. Paul Delorey shared a great deal of information about the legislature and the unique style of consensus government unique to the Northwest Territories and Nunavut. This proved to be a very interesting topic for all of the visitors, leading to a lively discussion.

Following the Speaker, Premier Floyd Roland met with the group. He further explained the importance of PNWER membership to the territories, and the need for deeper cooperation amongst our members. He was thanked by the executive committee for his contribution, as he has announced he will be stepping down this fall.

In the afternoon, Executive Committee members were given a tour of the spectacular capital building and observed the opening session of the legislature. (View the transcript of the group's introduction here.) This was followed by a very productive meeting with 10 representatives of the private sector in the NWT.

The meeting with the private sector highlighted the wide ranging opportunities in the territories, but reiterated a theme heard throughout the Arctic Caucus as well. There are many challenges in housing, human resources, regulatory complexity and investment that members of the private sector are interested in working with PNWER on.

Policy Tours

Giant Mine Remediation

The Giant Mine is a large gold mine in the city limits of Yellowknife. The mine has now been out of production for most of a decade, but the process used to process ore deposited about 230,000 tons of highly toxic arsenic trioxide into underground mine chambers. Due to fluctuating water tables, there is major concern that this could be released into the local environment, including nearby Great Slave Lake.

The previous developers of the site went out of business, leaving it to Environment Canada to come up with a solution for the site. After considering a large number of options, the project is moving forward to permanently freeze the arsenic dust in place. Currently there is a test project underway to freeze one of the 14 underground three-story plus high chambers storing the toxic waste. Based on the results of this test, freezing of the other chambers will go forward over the coming years.

The PNWER delegation was given a very in depth overview of the project and was able to tour most of the above ground features of the project, which is spread over hundreds of acres and bisected by one of the main roads out of Yellowknife.

Still to be included

- Links to:
    - Presentations
    - Past Arctic Caucus Proceedings

PNWER's Arctic Caucus Leadership Forum

Barrow, Alaska, U.S. *1-3 December 2010*

Sponsored by:

Introductions

As part of PNWER, the Arctic Caucus formed in 2009 as an informal group of legislators, government officials, business and nonprofit leaders committed to the responsible development of North America's Arctic.

The Caucus provides a forum within PNWER for the Arctic jurisdictions of Alaska, Yukon and the Northwest Territories to share information, discuss issues of mutual concern, identify areas of concern, identify areas for collaboration, which may include working with other jurisdictions, and providing Arctic-relevant input to PNWER working groups.

Welcome to Barrow

Barrow's hospitality and the significant amount of assistance given by the North Slope Borough through three days of the Arctic Caucus Leadership Forum in Barrow should be recognized from the beginning. From the opening night reception, the tour of Barrow and Point Barrow, the community reception that featured traditional dancing and rides to and from the airport, the warmth and receptiveness with which PNWER was received is well-appreciated and deserves to be highlighted in this proceedings.

Setting the stage – Arctic Policy 101

Summary of three presentations:

- *Colonel Todd Balfe, Deputy Commander, Alaska NORAD Region*
- *Giles Norman, Canadian International Centre for the Arctic Region*
- *Consul General, Phil Chicola, US Consulate General, Vancouver, BC*

An important feature of this first Arctic Caucus Leadership Forum was to impart on attendees basic and compelling information about Alaska, the Yukon Territory and the Northwest Territories, as well as their relationship to and with the Arctic as a whole. Important throughout was how integrated Canada and the United States are. That integration provides good guidance to PNWER and provides a model of cooperation for the Arctic Caucus.

Security, of course, is a primary area of interest for the region and between the two countries and the effective integration of processes, polices and communication is important to remember. This has been done through NORAD where business is conducted efficiently to protect and secure.

Of particular importance, and something for the Arctic Caucus to remember, is the Arctic policy of both countries to protect and demonstrate sovereignty, In this, it was interesting to hear a reference to "empowering" sovereignty – cooperation between the two countries has meant empowering mutually dependent and interconnected societies.

Successfully communicating and sharing critical data ensures leveraged security on both sides of the border. When thinking beyond defense, search and rescue becomes a primary focus, which is supported by both the U.S. and Canada Coast Guards. Responding to life threatening situations in the Arctic precludes borders; search and rescue operations are conducted with that in mind. It is a necessary response to saving lives. The Arctic Caucus heard this expressed by members of the community as well.

That said, those attending heard that the region needs to expand cooperation and its ability to respond to crisis in Arctic waters. PNWER could advocate for increasing Arctic SAR exercises and building northern communities' capacity to respond.

This report must stress – given the number of times iterated – the underlying theme of the importance of relationships in accomplishing goals in the Arctic. Developing capacity and demonstrating capability is best illustrated by expanding the existing spheres of cooperation.

In this, cooperative was described in terms of the *practical* (i.e. military) component rather than the *political* (i.e. diplomacy and sovereignty) component. Here the Arctic Caucus can leverage the military relationship to achieve political, environmental and economic development goals. That military relationship extends to search and rescue operations across borders.

One Area of Interest (**AOI**) for PNWER's Arctic Caucus could be increased Arctic surveillance consisting of environmental research and vessel tracking. A current of lack of surveillance infrastructure results in lack of critical date flowing to decision makers.

It is interesting to think of the region's sensitivity to location. In Canada, an established piece of the nation's identity is northern. The same can not be said for much of the United States. The

average American does not identify the U.S. as an Arctic nation. This could be another area to address by the Arctic Caucus – providing responsible education and outreach to those in and outside the region in the interest of better developing an understanding of the challenges and the opportunities facing Alaska, the Yukon and the Northwest Territories.

In the United States, Arctic policy has been developed in a bipartisan manner, and includes the following key points:

- Post cold war security and defense;
- Environmentally sustainable natural resource management;
- Involvement of indigenous peoples;
- Enhancement of science and research capability;
- Strengthening partnerships; and,
- Protecting the environmental.

The U.S. also prioritizes strategic governance, which has meant that the U.N. Convention on the Law of the Sea (UNCLOS) has been endorsed by the presidency but continues to wait to be ratified by Congress. This is a major challenge to Arctic diplomacy though activities continue to proceed under customary policies.

For instance, Arctic nations continue to map their Outer Continental Shelf limits and Exclusive Economic Zones. The establishment of a multi-national Hydrographic Commission continues to move forward. Both promote responsible natural resource management and define boundaries and jurisdictions, which is important to the United States.

The U.S. prioritizes addressing Arctic issues through the Arctic Council and will work to strengthen the Council.

An **AOI** for the Arctic Caucus could be to advocate for Cabinet-level participation by the U.S. in the Arctic Council, providing some guidance at a national level and elevating the work within our region.

Canada's Arctic Policy is very similar to that of the United States, including:

- Exercising sovereignty
- Environmental protection
- Local benefit

As was mentioned, the Arctic is part of Canada's national identity, unlike in the U.S. That has meant a more significant focus on Canada's northern region and priorities, with critical investment in community infrastructure to benefit economic development. Power and transportation infrastructure issues remain key to economic development and are possible arenas for collaboration.

It is important here to highlight the role of First Nations in Canada's Arctic policy and the strong partnership that exists with first Native Alaskan communities. In identifying challenges and opportunities, Canada's indigenous peoples have a crucial seat at the table.

The Beaufort Sea boundary dispute remains a challenge, though the Prime Minister has identified this as one priority to be addressed in the near future.

The group heard that over-the-top passages in the Arctic focused on the Northern Sea Route and less on the Northwest Passage. The Bering Strait will remain a chokepoint and important, at least, for Alaska.

One recurring theme was the need to connect science and policy, and to promote space for that dialogue to take place.

A number of other takeaways include:

- Canada's youth have been involved in a Model Arctic Council; and have also served as ambassadors at Northern-focused conferences.
- The Conference of Arctic Parliamentarians is considered a very important platform for lawmakers to participate in.
- The Alaska State Legislature has previously passed resolutions in support of UNCLOS.
- In regards to cultural heritage and social challenges, the Arctic Council's SDWG focus is on the human dimension and a good platform for addressing these issues.

There is a need for the identification of resources and research to supplement existing knowledge within the PNWER Arctic Caucus. Possible online resources include the International Polar Year (IPY), the Institute of the North, the Northern Forum, the University of the Arctic (UArctic), Arcticnet, and the Northern Waters Task Force.

Two final recommendations came during this session. The first supports addressing and mitigating tension between local users and industry/shipping. An integrated oceans management system (found in Canada and Norway) is an ecosystems-based approach to management. Here, nothing is looked at in isolation and local communities are involved as part of the plan.

Perhaps one of the greatest functions that PNWER's Arctic Caucus could play is in providing a pan-Northern approach to federal government, which has been successful in Canada. By sharing knowledge, interests and best practices, the three jurisdictions are able to articulate a coordinated approach to economic development in the North.

Northern Waters Task Force – Sidebar

The PNWER Arctic Caucus Leadership Forum leveraged its session by coordinating closely with the State of Alaska's Northern Waters Task Force (NWTF), which was able to hold a public hearing during the event.

The Northern Waters Task Force was created in response to increased activity off of Alaska's coast – marine shipping, fisheries, transportation – and works to define Alaska's role relative to these issues.

The community hearing in Barrow brought to light many issues facing the community, northern lands and waters, and challenges shared with neighbors.

The main thrust of many of the comments made during the NWTF hearing was that cultural, social and environmental issues need to be included in decision-making and a balanced approach taken, likened to that of the SDWG and the human dimension. The state has an opportunity to include local decision making and input in its approach to coastal zone management.

One concern highlighted during testimony was that of resource development in the Arctic and the state's ability to respond to oil spills without adequate existing technology nor critical infrastructure.

The region does have an asset in the amount of research conducted from Barrow's NARL facility. Research here has had a significant impact on ecosystem management in the area, including whaling.

Another asset of the region is found in Ilisagvik College, whose mission is to meet the resource needs of local employers while maintaining cultural heritage. Of concern was respect for traditional and local knowledge.

When considering Arctic issues, the NWTF heard that lawmakers should look outside state/federal jurisdictions to the resources they have in the people closest to the land.

For many, it came back to the value systems driving governance decisions. Citizens in Barrow were left wondering what to hold onto?

Afternoon Session – PNWER

- *Larry Hartig, Commissioner, Department of Environmental Conservation (Alaska)*
- *The Honourable Jim Kenyon, Minister of Economic Development (Yukon)*
- *David Ramsay, MLA (Northwest Territories)*
- *Ray Prins, MLA (Alberta)*

PNWER's Arctic Caucus is responding to the increased attention paid to the Arctic and within Alaska. Open water has meant new interest in energy, mineral development, military activity and social/cultural/environmental protection.

While there are multilateral and bilateral agreements in place to protect the environment or secure borders, as well as increasing community input, it is important to provide a regional voice. Adapting to change is a huge component and reverberates throughout the challenges the region faces.

Alaska, the Yukon Territory and the Northwest Territories have similarities in population density, distance between communities, and infrastructure needs that make sense when speaking with one voice. There are common interests and common opportunities in the region – energy costs, climate change, non-renewable resource base, adventure travel, infrastructure, transportation linkages – that allow for synergistic development.

In Canada, devolution has been important for the northern territories and highlights local control and input. First Nations in Canada have mostly settled their lands claims and now act as foreign governments given their sovereignty. The level of consultation goes well beyond that of the south of Canada.

At the same time, Canada has invested in infrastructure that gets minerals out – i.e. a zinc mine ten times larger than Red Dog is being developed in Yukon, with investment in and shipping planned to Asia (a target market).

Currently, NWT is going through the process of devolution with Canada's federal government that includes the transfer of funding and government positions. This process is accomplished while working in concert with aboriginal partners and with federal government with a plan to give a portion of the new revenue to the Territories' First Nations.

We can also think about other PNWER locations as "gateway jurisdictions." Alberta, B.C., and Washington serve to support northern neighbors, with a specific interest in energy and transportation – and transportation of energy – as well as strengthening economic connectivity.

Within northern jurisdictions, one of the priorities is seen to be supporting communities that are off the road by offering business incentives (local labor), resource development (training), community revenue sharing, and increased connectivity. In regards to this PNWER could conduct an infrastructure gap assessment – what's there vs. what could be put there.

Transportation

- *Admiral Thomas Barrett, Deputy Federal Coordinator*
- *Bruce Harland, VP Crowley*
- *Captain Ed Page, Marine Exchange of Alaska*

One challenge that is particularly difficult is convincing federal policy makers of the need for rural infrastructure investment given limited populations. The ability to make a compelling return on investment justification is important in this regard.

A lack of infrastructure inhibits economic development opportunities and the quality of life for communities. For many issues northerners need to focus on prevention rather than response – this is especially true when considering environmental disasters such as an oil spill. One component of prevention is knowledge of what's out there – i.e. marine vehicle tracking system in place off coast of Alaska.

Invest in infrastructure. The bottom line is that there is an incredible amount of research out there supporting the fact that infrastructure investment results in economic growth, energy efficiency, productivity, public health, and emergency response.

A gap analysis of telecommunications networks between Canada and Alaska indicates areas of opportunity for connection and survivability. Collaboration could improve network diversity and opens up other economic opportunities.

We should address objectives – vibrant communities with sustained heritage; healthy and better connected communities; adequate emergency, prevention and response capabilities. In this, there is a need to better anticipate needs and desires of northern peoples and economy (communicating a shared vision). One way to accomplish this is to develop private-public partnerships – that include indigenous participation – so that projects are able to compete nationally.

Connectivity in the North is driven by distance, geography, cost, and population. Data is sent south to population centers where it's redistributed back to consumers. Could we make the Alaska Highway an information superhighway?

Takeaways and final day's discussions

Work must be done to develop the role of the Arctic Caucus in feeding issues into established PNWER working groups and informing the work of the Annual Summit.

Communication is going to be integral to Arctic Caucus success – and time should be given to a private/public sector panel discussion at Summit highlighting interest and sharing.

We have to be careful that jurisdictions involved in Arctic Caucus process don't replace other activities within PNWER. An integrated approach to this will be appropriate.

Proposed Arctic Caucus Action Items (December 2010)

Type= S-Substantive, A-Administrative, C-Communicative (Letter Writing)

Type	Action Item	Team Lead	Initial Team Members
A	Map out sub-national and regional actors so that it is relevant and non-duplicative (identify niches).	Nils Andreassen	Ian, Carl
C	Advocate for cabinet-level (US) participation in the Arctic Council	Senator McGuire	Mike Pawlowski
A	Convene in May/June in Northwest Territories prior to the annual meeting, which will take place in Portland.	David Ramsay	Linda Ecklund
C	Promote a pan-Northern approach to federal governments. (Including Legislative concurrent resolution)	Rep. Herron	David Ramsay, Min. Kenyon
S	Provide a platform for connecting science and policy in order to meet its mission of economic development. Suggest to University Presidents		Ian

	round Table		
S	Explore means to support the expansion of the Marine Exchange of Alaska's AIS System in Alaska as well as Northwest Territories (NWT), Yukon and BC. Support current efforts to increase Search and Rescue response capacity and infrastructure on both sides of the border including joint training/excersises	Capt. Page	Mike Pawlowski, Jackie Jacobson, Carl Burgess
S	Promote federal support of the Alaska/Canada highway and Shakwak funding.	Mike Pawlowski	Min. Kenyon
S	Support Broadband infrastructure development Interconnectivity (Wide Area Network)	Don Pumphrey	Krag Johnsen (GCI), Mike Pawlowski
S	(Support Development of Northern University in Canada) Invite Yukon College, Ilisagvik, Aurora Colleges to University Presidents' Round table	Andrea	PNWER Secretariat, Kevin Cook
C	Communicate proceedings and conclusions of Northern Waters task Force to regional members.	Mike Pawlowski	
A	Have Arctic Caucus keynote panel at the Summit	Mike Pawlowski	
	Suggest content to the Legislative Energy Horizon's Institute and Transportation Institute on issues in the north.	David	
	Identified Issue : • Gas Pipeline development (Reshare Pipeline study) • UNCLOS • Transmission/Local Energy Development • Joint Tourism/Marketing • Training/Workforce Development • Support development of youth exchange programs (Ian) • Conduct an infrastructure gap analysis and provide a justification for investment in cross-border infrastructure.		

Draft #8
Terms of Reference
for the
PNWER Arctic Caucus

November 30, 2010

Background
First proposed in concept by Senator McGuire in October 2009, the PNWER Arctic Caucus was formed in November 2009 as an informal group of legislators, government officials, business and non-profit leaders committed to the responsible development of North America's Arctic. The Arctic Caucus's first open meeting was held at the July 2010 Annual PNWER meeting in Calgary, Alberta. The next meeting of the Arctic Caucus is planned for December 1-3, 2010 in Barrow, Alaska.

Purpose
The purpose of the Arctic Caucus is to provide a forum within PNWER for the arctic jurisdictions of Alaska, Yukon and NWT to share information, discuss issues of mutual concern, identify areas for collaboration, which may include working with other jurisdictions, and providing arctic-relevant input to PNWER working groups.

Expected Outcomes

- Share information, strengthening PNWER's capacity to engage at national level on arctic issues.
- Support each other in achieving mutual goals.
- When appropriate, provide support to other jurisdictions to help them achieve their individual goals.
- Provide a unified arctic voice to direct PNWER's convening and advocacy capacity to advance cooperation on arctic issues.
- Review the work of other PNWER working groups in order to provide and accommodate the arctic perspectives and positions.
- Increase attention to arctic issues within PNWER in general, increased reflection of the arctic position within the work of PNWER working groups, including the provision of Arctic policy/positions and interests for visits to our national capitals.
- Provide input and suggestions into topics and speakers for Summits/Forums.
- Identify areas regarding opportunities for mutual economic development in the Arctic.

Composition

The Arctic Caucus will be made up of PNWER public and private sector members from Alaska, NWT and Yukon. Other PNWER jurisdictions are encouraged to participate and to provide their input according to their interest issues affecting the Arctic.

The Caucus will be chaired on an annual rotation by one of the three core members. Core members will be responsible for setting the agenda and determining the interests and direction of the group.

Process

- The AC should compile an annual summary to be tabled at the Annual PNWER meeting.
- The AC would meet at least once a year as a group within the PNWER context (summer or winter meeting) and conduct most of its work through "virtual" means.
- The AC is free to call additional meetings in one of the member jurisdictions.
- The AC Chair would devote a larger portion of his/her time to meeting organization and project organization, if applicable.
- PNWER will provide Secretariat support to the group.

Timetable
Goals for Year One

- Develop a Terms of Reference for the group
- Identify areas of common interests
- Isolate priorities
- Develop action items
- Table a summary at summer meeting

Processes	Issues
Indigenous and local input	Energy
Partnerships and collaboration	Research
Cross-border infrastructure	Telecommunications
Involvement of youth	Transportation
Pan-Arctic voice	Security

Questions for Consideration by PNWER's Arctic Caucus	
	How does PNWER's Arctic Caucus respond to concerns for local input and sharing? What mechanisms can be put in place to ensure an open "table" and access to it?
	How does timing impact our decisions? What is our urgency index? How can PNWER's Arctic Caucus be proactive and strategic in its approach, while also being responsive?
	What could PNWER contribute to the Canada and U.S. chairmanships of the Arctic Council?
	How do issues highlighted by the Arctic Caucus contribute to the overall mission of economic development in the PNWER?